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## **Despite Devastating Floods, Pakistan Textile Sector Expected to Weather the Storm**

**Post:** Islamabad

### **Cotton Update**

**Report Categories:**

Cotton and Products

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**Report Highlights:**

Post's forecast of Pakistan's MY 2010/11 cotton production is further reduced to 8.6 million bales, 13 percent lower than last year's crop. In response to high international cotton prices, Post's estimate of MY 2010/11 cotton imports is reduced to 2.0 million bales. Reduced domestic production coupled with a more modest import estimate is expected to result in a sharp draw down in MY 2010/11 ending stocks, estimated at 3.0 million bales.

## General Information:

Post's forecast of Pakistan's MY 2010/11 cotton production is reduced by 150,000 bales, to 8.6 million bales. The devastating monsoon floods severely impacted Pakistan's cotton growing areas. Reduced production is expected to be bridged through imports and a draw down in ending stocks.

Post's estimate of Pakistan's MY 2010/11 cotton imports is reduced from 3.5 million bales, to 2.0 million bales. Lower imports are attributed to higher international prices stemming from tighter world cotton supplies and India's imposition of cotton export restrictions.

The Pakistan textile sector, being the major source of employment and foreign exchange earner, is hoping for a revival of the global economy and an increase in the demand for textile products. This sector is currently benefitting from the Government's policy of no quantitative restrictions or duties on either cotton imports or exports.

Despite the projected 13 percent, year-to-year decline in Pakistan's cotton production, Post's estimate of MY 2010/11 cotton consumption is estimated at 11.2 million bales, or 4 percent lower than last year. Consumption/mill use will be met through a modest year-to-year increase in imports and a sharp decline in ending stocks, with MY 2010/11 ending stocks estimated at 3 million bales, 25 percent lower than last year's ending stock level.

## Production, Supply and Demand Data Statistics :

Cotton Pakistan	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Aug 2008			Market Year Begin: Aug 2009			Market Year Begin: Aug 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	0	0	0	0	0	0	0	0	0
Area Harvested	2,900	2,900	2,900	3,000	2,980	2,980	2,900	2,650	2,650
Beginning Stocks	4,473	5,388	5,388	3,458	4,688	4,688	2,733	3,958	3,958
Production	8,700	9,000	9,000	9,600	9,920	9,920	9,100	8,750	8,600
Imports	1,917	1,950	1,950	1,400	1,800	1,800	1,700	3,500	2,042
MY Imports from U.S.	0	0	0	0	0	0	0	0	0
Total Supply	15,090	16,338	16,338	14,458	16,408	16,408	1,3533	16,208	14,600
Exports	357	375	375	700	730	730	300	400	400
Use	11,250	11,250	11,250	11,000	11,695	11,695	10,800	11,500	11,175
Loss	25	25	25	25	25	25	25	25	25
Total Dom. Cons.	11,275	11,275	11,275	11,025	11,720	11,720	10,825	11,525	11,200
Ending Stocks	3,458	4,688	4,688	2,733	3,958	3,958	2,408	4,283	3,000
Total Distribution	15,090	16,338	16,338	14,458	16,408	16,408	13,533	16,208	14,600
Stock to Use %	30	40	40	23	35	32	22	37	27
Yield	653	676.	676.	697	725.	725.	678	718.	706.

